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SENATE, No. 139

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 9, 1948

By Mr. BARTON

Referred to Committee on Banking and Insurance

AN ACT concerning workmen's compensation insurance, and amending section
34:15-81 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State of New*
2 *Jersey:*

1 1. Section 34:15-81 of the Revised Statutes is amended to read as
2 follows:

3 34:15-81. Any contract of insurance issued by a stock company or mutual
4 association against liability arising under this chapter may be canceled by
5 either the employer or the insurance carrier within the time limited by such
6 contract for its expiration.

7 No such policy shall be deemed to be canceled until:

8 a. At least ten days' notice in writing of the election to terminate such
9 contract is given by registered mail by the party seeking cancellation thereof
10 to the other party thereto; and

11 b. Until like notice shall be filed in the office of the commissioner of
12 banking and insurance, together with a certified statement that the notice
13 provided for by paragraph "a" of this section has been given; and

14 c. Until ten days have elapsed after the filing required by paragraph
15 "b" of this section has been made.

16 The provisions "b" and "c" of this section shall not apply where the
17-18 employer has replaced the contract to be canceled by other insurance, and

19 notice of such replacement has been filed with the Commissioner of Bank-
20 ing and Insurance. In such event the notice required by provision "a" may,
21 if given by the insurance carrier, recite as the termination date the effec-
22 tive date of the other insurance, and the contract shall be terminated retro-
23 actively as of that date. No notice of cancellation of any such contract need
24 be filed in the office of the Commissioner of Banking and Insurance where
25 the employer is not required by any law of this State to effect such insurance.

1 2. This act shall take effect immediately.

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11 b. Until like notice shall be filed in the office of the commissioner of
12 banking and insurance, together with a certified statement that the notice
13 provided for by paragraph "a" of this section has been given; and

14 c. Until ten days have elapsed after the filing required by paragraph
15 "b" of this section has been made.

16 The provisions "b" and "c" of this section shall not apply where [the
17 contract canceled has been replaced] the employer has replaced the con-

18 tract to be canceled by other insurance [before such cancellation], and
19 notice of such replacement has been filed with the Commissioner of Bank-
20 ing and Insurance. In such event the notice required by provision "a" may,
21 if given by the insurance carrier, recite as the termination date the effec-
22 tive date of the other insurance, and the contract shall be terminated retro-
23 actively as of that date. No notice of cancellation of any such contract need
24 be filed in the office of the Commissioner of Banking and Insurance where
25 the employer is not required by any law of this State to effect such insurance.

1 2. This act shall take effect immediately.

STATEMENT

This bill amends the cancellation provisions (section 34:15-81) of the employers' liability insurance law to permit the insurance carrier to cancel its policy retroactively but only in instances where the employer has replaced his insurance in another carrier and notice of such replacement has been filed with the Commissioner of Banking and Insurance and then only as of the date that the other insurance becomes effective. The bill is recommended by the Department of Banking and Insurance.